

ST. MATTHEW PARISH MINUTES – FINANCE COMMITTEE January 18, 2011

Present: Father Pat O'Loughlin , Kris Wegner, Bill Ahlstrom, Jeff Slusar, Mike Kuick, Frank Wellstein and Steve Anderson

Absent / Excused: Glenn Margraff & Travis Adler

Meeting called to order: Approximately 7:05 P.M.

1. Bill Ahlstrom called the meeting to order. Fr. Pat led the group with an opening prayer.
2. The minutes from the December Finance Committee meeting were approved as presented.
3. The committee reviewed the December 2010 financial statements. Highlights from the financials are as follows:
 - a. Operating income was \$726 in the month vs. a loss in the prior year of (\$3,872). On a YTD basis income is \$37k vs. \$81k prior year. Support activities showed income of \$17k in the month and \$68k YTD. FIOF and Phase II Building fund generated net income of \$15k in the month, which is net of \$2k of FIOF expense. On a YTD basis, Phase II Building and FIOF have generated net funds of \$25k after recording \$17k of expenses. The bottom line for the month is total income \$33k vs. \$10k of income last year and on a YTD basis the total income is \$130k vs. \$145k last year.
 - b. Kris noted that the salary accounting has been reviewed and the current month statements reflect YTD corrections. This remedies classification issues related to questions that were raised related to last months financials.
 - c. We have another CD maturing in January. To date we have parked the money from matured CDs in the money market account, as recently there have not been CD rates worth locking the money up for any duration.
 - d. Stewardship was up in the month and puts us at 49% of budget at the half way point in the year. We are about \$9k ahead of last year on YTD basis.
 - e. On the balance sheet, the Fidelity Investment account increase of about \$13k reflects a stock donation of a parishioner. The income side of the transaction appears on the Phase II Building Fund this month.
 - f. Kris noted that he has begun to offset the Scrip Inventory change on the Home & School schedule to provide visibility to the change in funds.
 - g. Frank asked for a clarification on how the Principal Account is used. The committee explained it is really just a school checkbook for things such as field trips where money is an in and an out, with no intended net income or expense.
 - h. It was noted that Youth Ministry seems to be tracking behind last year in expenses by about \$7k. However, timing of mission trip expenses appears to account for the majority of the difference.

- i. Also related to Youth Ministry, the textbook account is negative on a YTD basis. Kris believes this relates to a transfer of the cost for Bibles purchased in a previous year to a different department schedule, but he will confirm.
 - j. As stated last month related to the School schedule, Kris followed up on projecting the expected tuition based on contracts in place. If all tuition is collected, we could expect \$489k. Timing of collections does appear to vary significantly compared to last year. Even with expected total tuition at \$489k vs. \$450k collected last year, through December we are \$42k behind last year. Letters have gone out to 15-20 families for delinquent tuition. To date 4 or 5 from this group have resolved the issue. We expect to understand the situation better by next months meeting.
 - k. The Extended Care schedule looks back in line with YTD salary corrections in place.
 - l. Pastoral Care is running about \$7k favorable for the year. The \$1,500 fee for the financial review has now been recorded, but the elimination of the bookkeeper wages is generating the net savings.
4. Budget: Kris noted the department budget schedules have been distributed to the staff. The requested return date is February 4th which should provide enough turn around time for a first pass at the budget by next month's Finance Committee meeting.
5. The Committee discussed Fr. Pat's memo and suggestions related to K4 and the application of Policy 3240. There was agreement that we should pursue Fr. Pat's suggestion that we treat K4 tuition issues independent from K5 through 8. The feeling is since K4 substitutes for daycare, our policy should be more aggressive in terms of collection and ramifications for non payment. One way to begin to address this would be through a K4 contract that is unique vs. the K5 to 8 contract, as well as up front meetings with parents of prospective K4 students.
6. Fr. Pat shared his thoughts on his recent letter to local funeral homes informing them of an increase in fees for funerals. The change will enable the musician fee to be paid through our normal payroll process and protect our financial position in the event a substitute musician is needed.
7. Fr. Pat posed the question to the committee if there was any non financial reason why the multi-student tuition discount could not apply to K5 students, who are currently excluded from the policy. The committee had no objections, for non financial purposes.
8. Fr. Pat shared some thoughts for inclusion in the coming budget. He specifically looked for committee feedback on the school tuition subject. It was agreed that although the school cannot control issues such as final enrollment census, once contracts are in place, they should be held accountable for the scheduled tuition. This would mean a change in practice to inform the School that they would need to cover a tuition shortfall for reasons of delinquency and bad debt and should plan for it in the budget process.
9. Lastly, Kris indicated we are going to be using a company called ERATE to recover funds that are available from a government fee on telecommunication services. The company comes recommended from the Archdiocese as well as Kris's parish. It appears we are eligible for about \$1,600 in funds with the ERATE company taking their fee of between \$300 and \$400 from the proceeds.

Meeting Adjourned: Adjourned at approximately 9:00 P.M

Next Meeting: Tuesday, February 15, 2011

Respectfully submitted by Jeff Slusar, Finance Committee Secretary

Distribution:

Bill Ahlstrom, Chairperson

Rev. Patrick O'Loughlin, Pastor

Kris Wegner, Director of Administrative Services

Mike Kuick, Trustee-Treasurer

Steve Anderson, Parish Council Liaison

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